LICENSE FOR

CONSTRUCTION OF FLEET RECREATIONAL PARK

FILE NO. LIC-O-1077

CONTRACT NO. N40085-06-RP-00004

ENVIRONMENTAL CONTROLS

1. Environmental Protection Requirements. The Licensee, 1 at its expense (except as set forth below), shall conduct construction-related activity on the Premises 2 in compliance with applicable environmental statutes, regulations, existing Navy and Department of Defense (DoD) directives and future Navy /DoD directives that are promulgated at a Head quarters level (hereafter "environmental law"). VDOT shall provide protective measures and procedures to control pollution and other impacts to the environment that are reasonably likely to occur during construction activities. Except as limited below, VDOT shall promptly take corrective action(s) to remedy any condition it creates that violates environmental law, or poses a foreseeable risk or harm to human health or the environment.

2. Protecting Installation Restoration Remedies.

a. The Premises contain two sites (involving soil and ground water contamination) managed under the Navy Installation Restoration Program (hereafter "IRP"). Intrusive activity (i.e., soil disturbing activity) on the Premises is therefore subject to the Decision Document for IRP Site 1, Camp Allen Landfill (hereafter "Site 1 DD") (Exhibit C-1) and the Record of Decision for IRP Site 22, Camp Allen Salvage Yard (hereafter "Site 22 ROD") (Exhibit C-2). The Site 1 DD and Site 22 ROD prescribe the approved clean-up remedy and land use controls imposed on the sites to protect the remedy, human health, and the environment. Further information on these sites is contained in Technical Memorandum Construction Restrictions For Naval Property, Naval Station, Norfolk Virginia, February 2002, as amended (Exhibit D) and the following final closeout reports for the site:

Final Report for Soil and Debris Removal Action, Camp Allen Landfill Area B, March 10, 1995 (Exhibit G)

Final Completion Report, Remedial/Removal Actions, Camp Allen Salvage Yard - Site 22, July 2003 (Exhibit H)

Final Contractor Closeout Report, Placement of Soil Cover Material, Camp Allen Salvage Yard Site 22, June 2004 (Exhibit I)

Final Contractor Closeout Report Storm Water Pond Modifications, Camp Allen Salvage Yard Site 22, September 2004 (Exhibit J)

¹ The terms "Licensee" and "VDOT" have the same meaning as in Addendum 1. Except as provided in paragraphs 5, 8, 9, 12, 13, 17, 21, and 25, notices and other communications from VDOT to the Licensor shall be to the Licensor's Construction Manager.

^{2 &}quot;Premises" has the same meaning as in Addendum 1.

- b. The remedy for Site 1 and Site 22 with in the Premises consists of an engineered soil cover and land use controls. The land use controls require maintenance of the soil cover and limitations on land use. VDOT discussed construction plans and methods to build recreational facilities on the Premises in detailed briefings with the U.S. Environmental Protection Agency, Region III (hereafter "EPA Region III") and the Virginia Department of Environmental Quality (hereafter "DEQ") in April 2002 and in February 2005. Official correspondence also transpired between VDOT and DEQ during the course of time. EPA Region III and DEQ were officially notified of VDOT's intent to proceed via a Navy letter dated March 1, 2005. If VDOT breaches the engineered soil cover for any reason, planned or unplanned, it must restore the cover to match or exceed the ground elevations recorded in the Site 1 DD and Site 22 ROD.
- (1) Restoration of the cover means replacing and rebuilding the disturbed part(s) to match or exceed topographic contours shown in the Camp Allen Salvage Yard, Soil Cover As-Built Survey Drawing, revised January 17, 2003 (hereafter "the Soil Cover Survey").
- intrusive Upon completion ο£ utility-related construction in Sites 1 and 22 Area of Concern, VDOT shall provide a Remedy Restoration Topographic Survey (hereafter "the Restoration Survey") to the Licensor, documenting complete restoration of the soil cover to the grades shown on the original Soil Cover Final As-Built The Restoration Survey shall document VDOT's final spot elevations of the restored engineered soil cover along the length of each utility trench and in any other areas where the soil cover was The Restoration cut or removed or otherwise significantly damaged. Survey must be referenced to the same vertical datum plane used on the Soil Cover Survey, (MLW=0.00, NOS 1972 Vertical Datum) be presented in AutoCad 2000 and Adobe PDF format, and be submitted in triplicate, and be accurate to the a tenth of a foot. No additional fill may be placed on the areas where the soil cover requires restoration until the Licensor approves the Restoration Survey.
- (3) VDOT should anticipate that the Licensor, EPA Region III, and DEQ would take up to 30 days to review and approve the Restoration Survey. If approval from the Licensor is not provided within 30 days then concurrence may be assumed. Along with the survey, VDOT should submit digital photographs of excavations into and subsequent reconstruction of the soil cover at three locations along the routes of the proposed large storm drains; excavations into and subsequent reconstruction of the soil cover along the proposed sanitary sewer line, at the point where the line crosses Ingersoll Street and ties into the sewer manhole near the Navy Brig; and bearing pile installation and soil excavation associated with installation of

sports lighting structures. Fill material for subsequent construction may not be placed on the restored areas until the restoration survey is approved. Site work may proceed in other areas on the Premise that remain undisturbed.

- (4) VDOT shall also provide to the Licensor a Final Grade Topographic Survey (hereafter "the Final Survey") showing final grade contours for Site No. 22. This survey shall be shown with the Fleet Rec Park facility as built drawings specified in Addendum, #3. It, too, shall be based on the same vertical datum plane used in the Soil Cover Survey (MLW=0.00, NOS 1972 Vertical Datum), be presented in AutoCad 2000 and Adobe PDF format, and submitted in triplicate. The Licensor will review and acknowledge receipt of the Final Survey in approximately 7 days.
- 3. Compliance Oversight. The Licensor may inspect work being performed on the Premises and require VDOT to promptly conduct tests and assessments to determine whether construction activities are in compliance with environmental law if due cause is presented that the work being performed is not in compliance with environmental law. VDOT will not be required to test or characterize undisturbed parts of IRP Sites 1 or 22. VDOT shall use experienced contractors qualified to conduct compliance test and assessments in accordance with EPA SW-846 methods and 40 CFR pt 136 methods. VDOT shall provide access to books, records, and other documents required by environmental law, unless such documents are protected under Attorney-Client Privilege.
- 4. Notifications. VDOT shall notify the Licensor within 24 hours of receiving a complaint, order, directive, claim, citation, inspection report (preliminary or final), notice of noncompliance, or notice of violation from an environmental regulatory agency of competent jurisdiction. VDOT shall also promptly provide the Licensor copies of documents pertaining to any such complaint, order, directive, claim, citation, inspection report, notice of noncompliance, or notice of violation, unless such documents are protected under Attorney-Client Privilege.
- 5. Site Visits. The Premises are subject to inspection and site visits by environmental regulatory agencies of competent jurisdiction. VDOT shall cooperate with authorized inspectors in the same manner and to the same extent as the Licensor and as Virginia law may otherwise require. Further, VDOT shall immediately notify the Licensor's Site Manager of any such inspection or site visit, scheduled or unscheduled. VDOT shall provide access to books, records, and other documents required by environmental law, unless such documents are protected under Attorney-Client Frivilege.

- 6. Environmental Permits. VDOT shall obtain all permits required by environmental law and provide copies thereof to the Licensor. VDOT shall comply fully with permit terms and conditions.
- 7. Health and Safety Plan. VDOT shall require of its contractors to prepare and provide to the Licensor a Health and Safety Plan for activity on the Premises. The Licensor will review plan(s) in 14 calendar days and notify VDOT of any significant deficiencies; construction activity may not begin until any significant Navy concerns have been reasonably addressed. VDOT and its contractors shall comply with the plan, to include monitoring construction activity for health and safety. Additional health and safety requirements are set forth in Addendum No. 3.
- VDOT shall provide at the Premises Environmental Site Manager. 8. one or more persons competent in environmental compliance and pollution prevention, who will oversee compliance with environmental This person (or these persons), whose designation and authority must be set forth in writing, must be knowledgeable in hazardous waste handling, to ensure that waste segregation and compatibility waste management, including are hazardous requirements met: transportation and storage; and dewatering operations, including This person (or these persons) must also ensure that pretreatment. contractor personnel have been trained for the work they will perform, oversee permit compliance, coordinate hazardous waste removal, keep necessary records, report spills and releases, and coordinate first responses to spills and releases. Additionally, this person (or these persons) must over see waste management activities, excavations that may penetrate the engineering soil cover, remedy restoration work, construction of sports lighting structures, de-watering operations, and commissioning and decommissioning of groundwater pre-treatment equipment. This person and at least one other person as an alternate shall serve as VDOT's emergency point of contact. The Site Manager is not required to be present during all excavation activities.
- Environmental Management Plan. VDOT shall prepare an Environmental Management Plan for the Premises and provide to the Licensor's Site Manager, at least 14 days prior to the scheduled preconstruction meeting. At a minimum the plan shall include a description of the duties assigned to the Environmental Site Manager; written documentation of the Site Manager's authority over contractor's on the site; a copy of any specific operating procedures that will be used for the site manager to effectively manage the site, and communicate with the Navy and VDOT's contractors; and contact information (office phone number, cell phone number, and email address) for VDOT's Environmental Site Manager(s); and any other emergency contact information.

- 10. Environmental Meetings. Prior to initiating work on the Premises, VDOT's Environmental Site Manager will meet with the Licensor's Site Manager, to present, review, and discuss the implementation of VDOT's Navy-approved Environmental Management Plan. Additional meetings will be conducted as necessary.
- 11. Preventing and Responding to Spills and Releases. VDOT shall exercise due diligence to prevent, contain, and respond to spills or releases of hazardous material, hazardous substances, hazardous waste, sewage, regulated gas, petroleum, and other substances regulated by environmental law. A spill is an unauthorized release, in any amount, leaking, spilling, pumping, pouring, emitting, discharging, injecting, escaping, leaching, dumping or disposing of any of the foregoing substances into the environment (i.e., air, water, or land surface, including paved surface). Authorized releases are those allowed by environmental permit. In the event of a spill or release, VDOT must take prompt, effective action to stop, contain, curtail, or otherwise limit the amount, duration, and severity of the spill/release. If VDOT's response is inadequate, the Licensor may The Navy Region, Mid-Atlantic Fire Department may, and likely will, respond to all spills/releases and will assume response control upon arrival. Alternatively, a Navy Incident Commander may assume response control. VDOT shall follow the Fire Department's or Incident Commander's directions.
- 12. Reporting Spills and Releases. VDOT shall immediately report all spills and releases to the Navy Command Emergency Dispatcher ((757) 444-3333) and the Licensor's Site Manager. If a spill/release has or is reasonably likely to carry off base, or occurs off base when the waste generated from soil of groundwater originating from site 1 or site 22 is involved, VDOT shall also notify the Navy Regional Operations Center ((757) 322-2607). Within 24 hours of a release, VDOT shall provide to the Licensor a written report of relevant facts including, but not limited to: local time and date the release was discovered, origin of the release, spill location, volume spilled in gallons or cubic feet, material that was spilled, operation that was under way when spill discovered, cause of the spill, slick description and movement (if oil), weather (prevailing winds, air temperature, precipitation), size and description of the areas damaged or threatened, and the response action that was taken, and status of The Licensor may require a more detailed written report; clean up. further reports may also be required.
- 13. Refrigerant Certification. Class I and II ozone-depleting substances shall not be used in the performance of on the Premises, or be used in equipment or fixtures to be installed on the Premises. Heating and air conditioning technicians must be certified through an EPA-approved program. Copies of certifications shall be maintained at the employees' place of business and be carried as a wallet card by

the technician, as provided by environmental law. Accidental venting of refrigerant is a release under paragraph 12 above, to be reported to the Licensor's Site Manager.

- 14. Dirt and Dust. VDOT shall at all times, including nonworking periods, control fugitive dirt and dust at the Premises, on routes or ingress and egress, and other areas disturbed by construction activity in accordance with the Virginia Erosion and Sediment Control Regulations, 4VAC50-30, and with the Standard for Fugitive Dust/Emissions, 9VAC5-40-90.
- VDOT shall not bring hazardous or toxic 15. Hazardous Material. material onto government property that is not directly required for the performance of work documented in Navy-approved plans Hazardous materials used in construction specifications. construction-related activity shall be classified and stored in accordance with National Fire Protection Association Fire Codes and Standards (current edition). A "hazardous or toxic material" means any hazardous, harmful, odorous, radioactive, toxic or dangerous substance including, without limitation, asbestos, polychlorinated biphenyls ("PCBs") and petroleum products, and any hazardous or toxic substance, defined as such in, or for the purposes of, any environmental laws as are now or in the future may be in effect. The Licensee's obligation under this provision shall extend to any and all such materials currently listed or known to be Hazardous or Toxic Materials and those that become listed by the USEPA or the Virginia DEQ during the course of construction activities.
- 16. Oil and Hazardous Substances. VDOT shall prevent oil and hazardous substances from entering the ground, drainage areas, or navigable waters. Fuels and other oil and hazardous substances shall be made secure from tampering or theft. Storage and refilling practices shall comply with 40 C.F.R. pt. 112. Temporary fuel tanks size is limited to 600 gallons each and each temporary fuel tank must have secondary containment minimally equal to 110% of the tank's volume. Drip pans shall be used with dispensing hoses or valves. Tanks and drip pans must be covered during inclement weather and when work is not in progress.
- 17. Storm Water Pollution Prevention Plan. VDOT shall provide a Storm Water Pollution Prevention Plan (hereafter "the SWPPP") for soil disturbing activity on the Premises. The SWPPP shall meet the requirements of EPA 832-R-92-005 and Virginia general permit No.DCR01, General Permit for Discharges of Storm Water Discharges from Construction Activities. The SWPPP shall be updated as necessary to control pollution resulting from construction activity. Copies of the SWPPP, updates to the SWPPP, permit registration statements, inspection reports, and notice of termination shall be provided to the

Licensor and the Licensor's Site Manager. A copy of the SWPPP, as updated, shall be kept at VDOT's on-site construction office.

- Groundwater Management. VDOT shall not discharge groundwater or groundwater mixed with rainwater into sanitary sewers, storm drains, or to surface waters. All groundwater shall be managed in accordance with the Technical Memorandum Construction Restrictions For Naval Property, Naval Station, Norfolk Virginia, February 2002, as amended. See Exhibit D. VDOT may transport construction-generated groundwater off-site for treatment/disposal and/or secure the services of the Navy's Camp Allen Groundwater Treatment Plant (CATP) in accordance with the requirements set forth in a separate license and the Technical Memorandum Dewatering Requirements for the I-564 Intermodal Connector Project in the Camp Allen Area, Naval Station, Norfolk Virginia, June 2005 (revised final), as amended. See Exhibit E. If a conflict arises in interpretation or if conditions differ between Exhibit D and Exhibit E, then Exhibit E prevails. It is noteworthy to advise that VDOT will be required to request CATP service no less than 120 days in advance of their need for treatment. Funding requirements will be addressed in the above referenced license.
- 19. Soil Management. VDOT shall manage soil excavated during construction in accordance with Exhibit D. The submittals required by Exhibit D shall be provided to the Licensor.
- 20. Natural Resources. VDOT shall not disturb fish and wildlife, alter natural water flows, or otherwise significantly disturb natural resources on the Premises or adjacent property, except as allowed by construction permit.
- 21. Cultural Resources. VDOT shall immediately notify the Licensor's Site Manager if historical and archaeological items or human remains are discovered during construction. Work must be stopped in the immediate area of the discovery and may not resume until authorized by the Licensor's Site Manager. Cultural resources and human remains may not be disturbed, moved, or removed from the Premises without the Licensor's express permission.
- 22. Open Burning. Open burning is not permitted.
- 23. Control and Disposal Of Solid Waste. Solid waste (other than soil or liquids) generated on the Premises shall be placed in regularly emptied covered containers. VDOT shall manage spent hazardous material used in construction, including but not limited to, aerosol cans, waste paint, cleaning solvents, contaminated brushes, and used rags, as per environmental law. Neither food preparation nor cooking is allowed on the Premises. Upon completion of its work, VDOT shall leave the Premises clean and free of debris. All solid waste (including demolition and other construction debris) shall be removed

from the Premises, adjacent property, and haul routes and be disposed of off-site as per environmental law.

24. Hazardous Waste Management.

- a. The Premises are located within a facility that has been designated a Large Quantity Generator of hazardous waste and is a permitted Treatment, Storage, Disposal facility under environmental law. VDOT may not treat or dispose of hazardous or toxic waste on the Premises. VDOT is responsible for the disposal of hazardous waste that is generated in connection with construction-related activity on the Premises except as noted in 25 and 26 below. Generated hazardous waste or toxic waste shall be identified, labeled, handled, temporarily stored on site, and disposed of in accordance with Exhibit F, Commander Navy Region Mid-Atlantic Regional Environmental Group Hazardous Waste Management Procedures For Contractor Operations.
- b. The Licensor's Site Manager shall provide copies of blank hazardous waste manifest forms to VDOT and arrange for the hazardous waste manifest to be reviewed, signed, and approved by the Navy before VDOT may transport a shipment of hazardous waste from the Premises; such review, signature and approval will provide adequate time to ship the waste in the time limits established by regulation. Note, it is anticipated that hazardous wasted shipments will be inspected and signed off by the next business day after the Navy Site Manger is notified. Copies of each hazardous waste manifests/non-regulated waste shipping papers manifests shall be mailed to the address listed in Exhibit F and:

Naval Facilities Engineering Command, Mid-Atlantic Code EV1 9742 Maryland Ave. Norfolk, VA 23511-3095

c. VDOT shall provide a bill or lading shipping document for each shipment of non-hazardous soil that is disposed. The Navy will pre-sign the Navy's part of the document such that shipments can be expedited. The Navy will also conduct routine inspections of non-hazardous shipments. Copies of the Bill of lading documents shall be mailed to:

Naval Facilities Engineering Command, Mid-Atlantic Code EV3 9742 Maryland Ave. Norfolk, VA 23511-3095

25. Unforeseen Contamination.

- VDOT has been informed of known soil and groundwater contamination at Navy Installation Restoration Sites 1 and 22. VDOT, as per RCRA and applicable state law, shall manage such contamination when performing work at or affecting these sites, and elsewhere on Navy property, in the manner prescribed in the foregoing paragraphs of this Addendum. Any contamination not documented in the Site 1 Decision Document, the Site 22 Record of Decision, or documents mentioned in section 2 of this Addendum, is unforeseen contamination. VDOT shall stop work when unforeseen contamination is discovered and contact the Navy Site Manager. VDOT shall manage unforeseen contamination resulting from its ground-disturbing activity as hazardous waste at the place of discovery, as directed by the Navy Site Manager, unless and until testing determines that it should be managed otherwise. If newly discovered unforeseen contamination is or may be unexploded ordnance, chemical or biological munitions, or radiological waste, VDOT shall avoid further contact and notify the Navy Site Manager immediately upon discovery. If VDOT cannot contact the Navy Site Manager, it will contact the Navy Emergency Command Center at 444-3333.
- b. VDOT will test newly discovered unforeseen contamination, unless it is or may be unexploded ordnance, chemical or biological munitions, or radiological waste, to determine, in consultation with the Licensor, how the contamination should be managed. Based on VDOT's test results, the Licensor, in addition to its obligations under paragraph 24 of this Addendum, shall determine whether additional investigation or remediation needs to be performed. VDOT will not be required to excavate, manage, transport, treat, or dispose of unforeseen contamination, beyond that reasonably necessary to complete required construction-related work, except as provided in paragraph 26.b below.
 - If additional investigation or remediation is not soil and/or VDOT will manage excavated required, operations, contaminated groundwater from dewatering according to law and proceed with construction. additional investigation or remediation is required, VDOT may stop work in the affected area until the Licensor completes all required actions; stop work in the affected area and proceed with work elsewhere until the Licensor completes all required actions; or re-design the work to be performed (to further avoid moving or otherwise further disturbing the unforeseen contamination) in a manner agreeable to the Licensor, and proceed accordingly.

- (2) Within 5 calendars days of receipt of test results, the Licensor will advise VDOT whether additional investigation or remediation needs to be performed. In the event the Licensor cannot reasonably make such determination within 5 calendar days, VDOT may proceed as though additional investigation or remediation is required.
- (3) In any case, VDOT will complete all work required to provide the Navy complete facilities of the quality and quantity agreed. VDOT will complete unfinished work within a reasonable time of the date such work may lawfully resume.
- c. If based on VDOT's test results the newly discovered unforeseen contamination does not require additional remediation, VDOT shall resume work and manage the contamination as provided by law and this Addendum. VDOT shall not remove contamination or contaminated media beyond that necessary to complete construction. Specifically, VDOT will not be required to excavate, manage, transport, treat, or dispose of unforeseen contamination, beyond that reasonably necessary to complete required construction-related work, except as provided in paragraph 26.b below.
- d. The Licensor will promptly respond to and assume management of unexploded ordnance; chemical and biological munitions; radiological waste; and other unforeseen contamination, the nature or extent of which will require the Licensor to perform additional remediation. The Licensor will respond within 12 hours of being notified of what is or may be munitions or unexploded ordnance. For purposes of this Addendum, the terms "ordnance" and "munitions" may be read interchangeably and construed broadly.

26. Environmental Liability:

a. Environmental liability for VDOT's construction-related activity, especially ground disturbing activity at Sites 1 and 22, will attach to VDOT and the Licensor according to RCRA, CERCLA, and other applicable and relevant statutes, and the parties recognize that such liability cannot be modified by this License. However, the parties have determined, as between them, the roles and responsibilities each will have in complying with those statutes and pertinent regulations, to the end that such liability, if incurred, will be limited and apportioned equitably. The Licensor's obligation and authority to conduct and pay for environmental remediation are prescribed in 42 U.S.C. §\$ 9604, 9607 and 9620; 10 U.S.C. § 2703; and Federal Facility Agreement Under CERCLA Section 120, Administrative Docket No. III-FCA-CERC-015 (1999), and are accomplished according to Management Guidance for the Defense Environmental Restoration Program and the Navy/Marine Corps Installation Restoration Manual.

- b. The parties hereto, to the extent and manner permitted by law as described herein, have undertaken to apportion and limit their respective responsibility under this License, at the outset of this relationship, so that VDOT's responsibility under CERCLA for investigation/remediation will be limited to an obligation to correct conditions of risk to human health and the environment proximately caused by: (1) VDOT's failure to manage known contamination that is excavated or pumped or otherwise disturbed during the course of construction in a manner consistent with paragraphs 2 and 18 of this Addendum; (2) VDOT's failure to manage unforeseen contamination in a manner consistent with paragraphs 24 and 25 of this Addendum; (3) VDOT's failure to manage hazardous substances that it uses, directly or indirectly, during the course of construction in a manner consistent with paragraphs 11, 12, 15, 16, 23 and 24 of this Addendum; or (4) damage to or impairment of the remedy at Sites 1 or 22 resulting from acts or omissions on its part not consistent with paragraphs 1, 2, 6, 7, 11, 12, 15, 16, 18, 19, 23, 24, and 25 of this Addendum, or of any one or combination of these paragraphs. Except as provided above, the parties expressly reserve all rights and remedies provided to them by law. Neither party shall indemnify or seek indemnification from the other, nor shall either party be required to obligate or expend funds in violation of federal or state law, respectively.
- c. In the event a suit, claim, demand, or legal action is brought by a third party (i.e., a non-governmental entity or a person in his or her individual capacity) against the Commonwealth of Virginia, arising out of personal injury or property damage allegedly caused by release or threatened release of pre-existing Navy contamination from Naval Support Activity, Norfolk, as a result of the Department's construction-related activity in re-locating Fleet Recreation Park, the Licensor will take action in the manner and to the extent allowed by the Federal Tort Claims Act (28 U.S.C. §2871 et seq.) and other Federal statutes, to defend or settle the claim on behalf of the United States, according to procedures prescribed by the U.S. Departments of Justice, Defense and Navy. In addition and where appropriate, the Licensor will attempt to obtain releases of liability for the Licensee and its contractors.

For its part, the Licensee will:

- 1) Notify the Licensor within 10 business days of the date the suit, claim, demand, or legal action is served on the Commonwealth;
- 2) Provide a copy of the complaint, notice of suit, claim, or other demand served on the Commonwealth to the Licensor's Office of Counsel by the most expeditious means available;

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- 3) Provide access to persons, records, and other needful things relevant to defending or settling the suit, claim, demand, or legal action;
- 4) Cooperate fully and promptly with the Licensor, or its designee, the Navy, and the Department of Justice in defending or settling the suit, claim, demand, or legal action; and
- 5) Assist the Licensor, or its designee to manage such suits, claims, demands, or legal actions by referring claimants and litigants to the Licensor's Office of Counsel.